



DECISION

ON THE CONDITIONS AND THE PROCEDURE FOR ISSUING AND REVOKING THE LICENCE FOR PERFORMING LEASING OPERATIONS

Article 1.

This Decision prescribes general conditions and procedure for issuing and revoking the license for performance of a leasing company, as well as the declining the request for issuing of a license.

Article 2.

(1) The representative of the shareholders of the leasing company will submit to the Banking Agency of Federation of BiH (in further reading FBA), along with the request for issuing a license for performing the leasing operations, the following:

1. authorization for the individual with whom the FBA will cooperate in the procedure of reviewing the request for issuing the license,
2. corporate charter, in compliance with the Law on business companies (in further reading: LBC);
3. the list of the leasing company shareholders with included identification information of the shareholders (for individuals – name, surname, personal identification number and address of residence, for legal entities – name, register number, head office address and registration) and their participation in the core capital (percent and nominal);
4. draft of bylaws, that by obligation contains all the elements from the LBC;
5. leasing company business plan for the first 3 (three) years of operations which contains the projection for the balance sheet and income statement. The plan must contain the planned source of funds, the lending dynamics and the plan for expanding the organizational units and business activities;
6. information on qualifications (diplomas) and work experience (the recommendations from the authorized institutions and C.V.) of the candidates for members of the management and the supervisory board of the leasing company. The leasing company must for the listed individuals present criminal record statement, statement on ownership in other legal entities, as well as statements about their participation in managing bodies of other legal entities. In the case that the candidate for the management member is a foreigner, it is necessary to provide a working license for that individual or a proof that the procedure has been initiated to obtain the license.
7. information on professional expertise and the organizational structure of the employees for performing leasing operations, listing the number of employees, their qualification structures and necessary working experience;
8. information on the professional expertise and informational capacity for performing the leasing operations, with evidence on status of the business premises where the head office will be (contract on obtaining ownership or lease);
9. statement from shareholder in written form that the shareholders investment will be paid in within 7 days from the day of FBA's positive response to the request. The payment is performed to the account in the commercial banks that is designated for this purpose. The shareholders are obliged to provide evidence on disposing with these funds and their origin.

(2) The documents submitted with the request form the paragraph (1) of this Article must be originals or authorised copies.

(3) If a document is presented in a foreign language, it has to be accompanied by an officially authorized translation to one of the official languages being used in the Federation of BiH.

(4) The corporate charter and the bylaws do not need to be a notary approved document.

Article 3.

(1) The companies that have, on the day of coming into effect of the Law on Leasing (in further reading: Law), been performing the leasing operations and have been registered in the court registry, are obliged to submit to FBA a request for issuing of a license for performing leasing operations the latest up to 31.10. 2009.

(2) The companies from the paragraph (1) of this Article will, along with the request for the license, submit:

1. decision on complying the leasing company operations with the Law, adopted by the authorized body;
2. registration of the existing leasing company at the authorized court from which it is visible that it has a registered core capital of a minimum of 250.000,00 KM;
3. list of owners of the leasing company that indicates the identification information about the shareholders (for individuals – name, personal identification number and address of residence, for legal entities – name, registration number, address of the head office and registration) and their participation in the core capital (percent and nominal);
4. revised annual financial reports from the last 3 (three) business years, and if they are in business for a shorter period, then for that period, and a financial report that in the moment the request is submitted is not older than six months;
5. a business plan of the leasing company for 3 (three) following years that contains a projection of the balance sheet and income statement. The plan must contain the planned sources of funds, lending dynamics and the plan for expanding the affiliates and business activities;
6. evidence that the losses have been covered before submitting the request from paragraph (1) of this Article, in the case that the leasing company has performed with losses in the previous periods;
7. bylaws, that by obligation contain all the elements from ZPD;
8. information on professional qualifications (diploma) and work experience (confirmations from authorized institutions and C.V.) of the members of the management and supervisory board of the leasing company. Leasing company needs to submit for the listed individuals criminal records statements listing their ownership in another legal entity, as well as statements on their participation in managing bodies of other legal entities. In the case that the member of the management is a foreigner, it is necessary to provide a work permit for him;
9. information on professional expertise and the organizational structure of the employees of the leasing company, along with the number of employees and their qualifications structure;
10. the list of the affiliates, with a note for those affiliates that are registered in the court registry and those that are not, information on the start date of the operations, address and authorized individual that will represent them;
11. short review of the technical capacity for performing the leasing operation including the status of the business premises where the head office is (contract on ownership or lease) and capacity of the information technology;
12. List and registration of all the subsidiaries. If it is the question of the subsidiaries that are performing financial and operating leasing established by Contract on leasing, it is necessary to list the deadlines for ending of the contracts ,as well as the statement that those subsidiaries will remove the registered leasing activity within the deadline listed in the Article 12., of this Decision and that they will submit evidence of that to FBA.

(3) Decision on compliance of the performance and the bylaws do not have to be a notary approved document.

Article 4.

(1) Upon receiving the request for issuing a license for performing leasing operations, the FBA will review it determining the compliance of the request and the submitted documentation with the Law and this Decision.

(2) FBA can take following additional measures:

1. lead a conversation with the representatives or the members of the bodies of the existing, that is future leasing company,
2. perform an on-site examination,
3. request additional or other documentation as needed,
4. request review or confirmation of the financial data which are based on the current and previous condition.

Article 5.

FBA will make a decision on approving or refusing the request for issuing the license from this Decision through a resolution that is issued within 60 days from the day of receiving the complete request.

Article 6.

FBA will refuse the request for issuing the license for performing the leasing operation if:

1. from the corporate charter and other documentation it is concluded that the future leasing company will not meet the conditions prescribed by law and specific regulations of the FBA;
2. the provision of the decision on compliance of the performance or bylaws of the leasing company are contrary to the provisions of law;
3. if the entity submitting the request has submitted information that are incorrect or are not in compliance with the regulations of FBA or he refused to submit information that FBA requested in order to make a decision on the request.

Article 7.

(1) FBA will, with a resolution, revoke the license for performing leasing operation if:

1. the leasing company does not start operating within six months from the day of issuing the license for performing the leasing operations;
2. leasing company does not perform leasing operations in the period longer than six months;
3. leasing company stops fulfilling the conditions on the basis of which it received the license for performing the leasing operations;
4. leasing company has received the license for performing the leasing operation based on untruthful documentation and information received by FBA;
5. leasing company disables FBA from performing supervision of their performance;
6. leasing company does not, within the deadline determined by a decision of FBA, act according to the order for correction of the irregularities and violations in its performance.

(2) FBA will submit the Resolution from the paragraph (1) of this Article to the leasing company within eight days from the day of its issuing.

(3) The Leasing company cannot conclude new businesses in relation with the leasing operations from the day of issuing of the resolution from the paragraph (1) of this Article, except those activities that ensure termination of the leasing company in the manner stipulated by Law.

Article 8.

The party submitting the request is obliged to pay a fee, determined by a specific FBA conclusion, for the issuing of the resolution in compliance with the Decision of the FBA on fees that the leasing companies pay to FBA.

Article 9.

(1) In the case that the entity submitting the request has not submitted complete documentation or information, FBA can ask for additional information on the request and determine a deadline for that

(2) If the entity submitting the request does not provide the requested documentation or information within the prescribed deadline, FBA will, by a resolution, reject the request, as not being in good order.

Article 10.

The Resolutions of the FBA on the issuing of the license, on refusing the issuing of the license and on revoking the license are final and a court appeal can be initiated against them at the authorized court.

Article 11.

The leasing company is obliged to submit to FBA a certified copy of the registration at the court registry or a photocopy of the Statement of changes within 15 days from the day of the registration.

Article 12.

The existing leasing companies that do not present a request for issuing a license, within the deadline listed in the Article 2. of this Decision or do not get the license for performance from the FBA up to 03.01.2010., are obliged to stop performing the leasing operations and latest by 15.01.2010. , submit a request to the authorized court to remove the leasing activity from the registration.

Article 13.

This Decision comes into effect on the eight day from the day it is published in the "Official Gazette of the Federation of BiH".

Number U.O. – 13 – 3/09
24th of June 2009.
Sarajevo

Chairman of the
Management Board
Mr. sc. **Haris Ihtijarević** signed
